

# Digital Transformation for SMBs

What to Know  
and How to Start



## About the research:



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### About this eBook

As the non-profit association dedicated to nurturing, growing and supporting the information management community, AIIM is proud to provide this research at no charge to our members. In this way, the entire community can leverage the education, thought leadership and direction provided by our work. We would like these research findings to be as widely distributed as possible.

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### About AIIM

Here at AIIM, we believe that information is your most important asset and we want to teach you the skills to manage it. We've felt this way since 1943, back when this community was founded.

Sure, the technology has come a long way since then and the variety of information we're managing has changed a lot, but one tenet has remained constant – we've always focused on the intersection of people, processes, and information. We help organizations put information to work. AIIM is a non-profit organization that provides independent research, training, and certification for information professionals.

Visit us at **[www.aiim.org](http://www.aiim.org)**.

# Introduction

The notion of “digital transformation” is on the minds of business owners and executives from all industries.

The transformative promise is one that leads the organization to new efficiencies and competencies that streamlines operations, provides better customer experience, and saves money.

And while becoming a digitally-enabled organization may seem like it is a reality for only the largest and most technologically-savvy organizations, more and more small- and mid-sized businesses are grabbing their share of success by employing the latest innovations in things like business process automation, machine learning, and analytics.

The rise of cloud computing has made the same solutions and capabilities that the ‘big boys’ use accessible to smaller operations.

Every company can benefit from digital transformation, but small- and mid-sized businesses are perhaps in the most enviable position to take advantage of the techniques to even the playing field with their larger competitors. The right path depends on the needs and opportunities of the business, but many are making the move. According to a study from SMB Group, 48% of small and medium businesses plan to transform their businesses to operate in a digital future. The same study found that around three-fourths of companies surveyed agree that digital transformation is changing how they do business.

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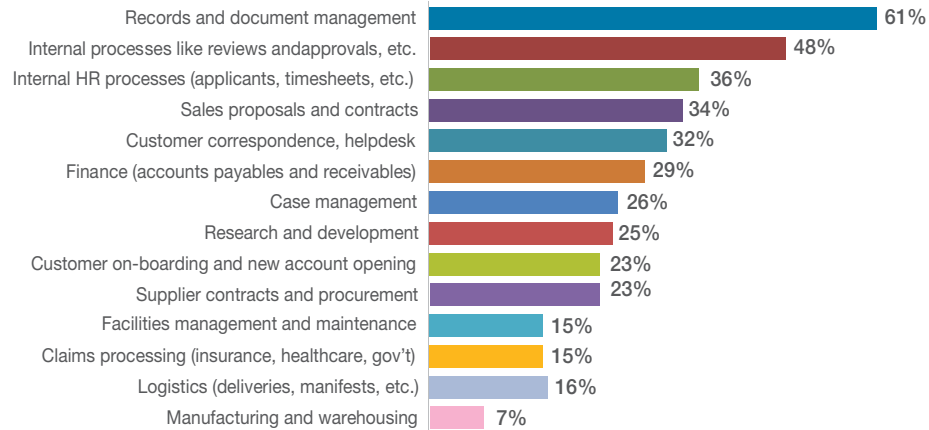


Our AIIM study “Digitalizing Core Processes” from 2018 found a similar trend toward digital transformation; 75% of respondents said that process automation is a must-do and modernizing their information management strategy is on the scope for 82% of respondents. We asked: Which core business processes do you feel are the most likely candidates in your organization?

- 48% said internal processes like approvals and reviews
- 36% said internal HR processes
- 34% said sales contracts and proposals
- 29% said accounts payables and receivables.

This breakdown points to a top consideration; digital transformation, ultimately, is not just the application of technology, it is also the act of improving those core processes that propel the business forward while implementing new technologies to meet growing and changing business demands with new ways-of-working.

Which core business processes do you feel are the most likely candidates for improvement in your organization?



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### SMB Challenge

The advantages of digital transformation can be compelling, but many small- and mid-sized business owners feel that the benefits may be out of reach in practical terms. Often the perception is that the opportunities are possible only for larger organizations with enterprise-sized budgets and teams of experts to make it happen. As a result, many SMB's continue to struggle with paper-based and last-century workflows that keep them from being competitive.

But times are changing. The rise of cloud computing and the as-a-service distribution model have made the same business solutions and capabilities that the 'big boys' use accessible to smaller operations. And the time is right for SMBs to evaluate how adopting digital tools could deliver immediate and observable efficiencies. There are also numerous applications and services that readily cover routine business processes such as bookkeeping, point-of-sale and inventory management, document management, and even communication and collaboration which can all be readily acquired and implemented.

### Three Areas of Opportunity

While there is an urgency for SMBs to start their digital adoption efforts, it is important to have a measured and strategic approach. The question is: where do you begin? Here are three areas where SMB's can find immediate benefit:

#### Accounts Payable

Accounts Payable is a fundamental activity for all businesses. Improving the process through automation is a benefit that all organizations can capture. As other areas of business and commerce have become more and more paperless, the accounts payable process in most organizations remains mired in paper copies and manual workflow. The result is an often costly and people-intensive process that leaves companies vulnerable to competitors and financial executives with a growing unease over the inherent inefficiencies.

Invoice processing automation works to reduce and eliminate the mundane and manual tasks that plague the AP process. By relieving the burden of manual data entry and other routine and repetitive activities,

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automation helps to reduce costs and inefficiencies while freeing up staff to function in more productive and value-added activities. Software systems to manage the entire AP process - including electronic invoice delivery and document management, workflow automation, and advanced analytical tools - are widely available. Small and medium-sized businesses can benefit with AP automation in a number of ways that can provide immediate advantage. First, automation enables quicker payment, within 30-60 day discount windows, that can

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unlock an additional stream of revenue in the form of early pay discounts that would be lost to the organization otherwise. Second, supplier relations are improved. Almost every business, whether product- or service-oriented, is dependent on partners and suppliers. AP automation helps ensure vendor satisfaction by

managing and processing accounts payable faster and with more accuracy. And finally, AP automation provides better business insight and intelligence, and allows small and mid-sized businesses to more accurately predict financial outcomes because it provides greater visibility into the process

### Human Resources

Despite the increasing digitization of business today the truth is that most Human Resources departments in SMBs are still buried in paper. The result is that HR professionals often spend more time, effort and money performing administrative duties than they do attracting, hiring and maximizing the human capital of the organization. The fundamental mission of any HR department is to find and recruit the best talent, help motivate those employees to top performance, and maintain an organizational culture of high morale and high accomplishment. But that is difficult to do if your professional staff are spending more time performing administrative tasks than they do working in activities that bring value to your organization.

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Managing the human capital of an enterprise requires a staggering amount of documentation that starts even before an employee is hired and continues well after a person has left the company. New Hires cause a variety of forms for background checks, state and federal taxes, health insurance, and more. During employment, any number of events generate even more paperwork for things like workplace claims, training and certifications, and annual benefits re-enrollment. Employee retirement and turnover generate yet additional forms, documents and information that all must be secured and retained for years after termination.

Digital transformation removes the burden of paper and digitization helps SMBs save time, money, and effort. This is done by automating the processes with modern document and content management tools, and by enabling more integrated data and case management capabilities that are simply not possible using the paper-bound workflow of the past.

The good news for SMBs today is that developers are offering niche solutions that are designed specifically to automate and transform core business processes.



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### Sales

Every organization needs to sell. And the world of business selling has changed dramatically over recent years. Since customers can find most of the information they need online, they typically engage sales teams only when they are close to a final decision. You need to move fast and effectively to close deals. That means instant access to critical information and seamless processes for outstanding customer experiences. Digital transformation enables that agility by enabling tools and capabilities that help SMBs close sales more quickly and better compete.

The information age continues to shift more decision-making power into the hands of the customer, companies that win will be the ones that are successful in empowering their sales teams with the tools needed to leverage customers' knowledge into meaningful, positive experiences. With centralized, real-time, cloud-based document management and workflow automation those teams can better optimize key stages of the buyer's journey. From initial contact through in-person

presentations to contract negotiation, the edge is the ability to deliver the right information at the right time to the right person.

Sales promotion and marketing are dramatically enhanced by workflows that digitize documents, stay digital through the entire process, and then leverage workflow automation to route that information to the right team and initiate a winning sales process. Once the deal is done, best-of-breed solutions provide a way to digitize, manage and share contracts with a workflow that eases collaboration between sales, legal, and executive reviewers.



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### Recommendations

For SMBs today the accounts payable, human resources, and sales functions are just three areas of immediate opportunity for digital transformation, but there are others. Businesses should carefully navigate their digital transformation journey, linking the effort to concrete business goals. Here are some recommendations as you move forward.

- **Evaluate your current process and workflow**  
No matter what activity you target for digital transformation it is important to closely examine the current process to identify gaps in performance. In what specific ways can you reduce time, save money, or capture a missed opportunity? Do this by establishing measurements that demonstrate how the as-is process works today. These will point the way and indicate improvement success later.
- **Establish specific objectives for transformation**  
Now that you understand the as-is process, it is important to define what the “to-be” process needs to be. Do this by developing a set of specific

expectations and objectives like “we will reduce the time needed for an invoice payment from 3 days to 3 hours,” or “we will reduce the number of hours spent on-boarding a new hire from 5 hours to 1 hour.” Use these desired “to-be” measurements as part of your RFP or project milestones and measure your success against these objectives.

- **Evaluate targeted technology options**  
SMBs don’t need to build it themselves; many developers and providers now have tailor-made solutions for core business functions like AP, HR, and Sales. This can be the quickest and most reliable way to move forward. Those looking to improve financial operations should invest in those specifically targeted at AP and AR. Those looking to expand their reach could consider adopting marketing automation and leads generation technologies. The as-a-service model allows companies to simply subscribe to these services and be functional almost immediately.

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## Moving forward

How can you capture the benefits of digital transformation? It will take the right tools and the right focus to be successful. Use these ideas and best practices to spark your success. Look for providers and partners with the right mix of expertise, experience, and vision to enable you to make the most of automation in your business of any size.



## What's next?



Every organization in the world is on, or should be on, a Digital Transformation journey. How effectively you navigate this journey relies on how adept your organization is at combating the rising tide of information chaos. This requires new strategies and skills that extend beyond traditional ECM. We call this modern approach Intelligent Information Management.



This course explores how your role as an information professional is critical to accelerating business activities, enriching customer experiences, and improving operational agility.

You will learn how to:

- Create and capture information
- Extract intelligence from information
- Digitalize information-intensive processes
- Automate governance and compliance
- Implement an information management solution

The Foundations of Intelligent Information Management Workshop was designed as a primer for the Certified Information Professional exam. For attending, you will receive the CIP Study Guide and a voucher for one free CIP exam registration.

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# About

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